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SUBJECT: SCENESETTER FOR CODEL LANTOS VISIT TO ROMANIA
AUGUST 31-SEPTEMBER 2

REF: SECSTATE 130309

11. (SBU) Summary: Embassy Bucharest warmly welcomes your visit to Romania. Romania has been a staunch ally, providing troops in Afghanistan, Iraq, and the Balkans. President Traian Basescu has championed a strong strategic partnership with the United States, maintaining an outward-looking transatlantic foreign policy even as Romania prepares for EU entry in 2007. However, his center-right political coalition government has been roiled by frictions with his Prime Minister, including over the issue of maintaining Romanian troops in Iraq. A recently ratified bilateral defense cooperation agreement with Romania has paved the way for U.S. use of Romanian military facilities. Romania likewise encourages greater U.S. and NATO strategic involvement in the wider Black Sea region. The Romanian economy has grown rapidly, and there have been encouraging signs of greater U.S. investor interest. However, the country's legacy of corruption, poor infrastructure, and labor rigidities have resulted in Romania lagging well behind other Eastern European economies as a target for foreign investment. Human rights matters of concern include discrimination against ethnic minorities such as the Roma and a continuing legacy of anti-Semitism. Your visit is an opportunity to encourage Romanian leaders to continue their positive steps toward broader recognition of Romania's Holocaust history, to allow the return of Nazi war criminals stripped of their U.S. citizenship and to push authorities to strip right-wing politician Corneliu Vadim Tudor of a presidential medal. Inter-country adoptions is another issue that has aroused strong U.S. congressional interest. End Summary.

12. (SBU) The government of President Traian Basecu has anchored itself on a strong strategic partnership with the United States, with a focus on maintaining an outward-looking transatlantic foreign policy as the country prepares for entry into the European Union at the beginning of 2007. Romania has been a staunch ally in both words and deeds, deploying around 2,000 troops abroad with NATO and Coalition-led operations in Afghanistan, Iraq, and the Balkans. Your visit comes on the eve of Romania's obtaining a final "green light" for accession to the European Union, culminating over a decade and a half of efforts by Romania to integrate fully with the west. Your visit is an opportunity

to emphasize that EU membership and a strong strategic partnership with the United States are perfectly compatible.

¶3. (SBU) Nearly two years after his December 2004 surprise electoral victory, President Basescu remains the most popular political figure in Romania, with approval ratings approaching 60 percent. He has used his position domestically to press for reform and progress in the fight against high-level corruption. A feature of Romanian domestic politics over the past year has been frictions within the center-right government coalition. One low point came when, in late June, Prime Minister Calin-Popescu Tariceanu without consulting the President or key coalition partners announced that his party would press for a complete withdrawal of Romanian troops from Iraq, without consulting the President or key coalition partners. As Commander-in-Chief with primary authority over security and foreign policy, Basescu immediately reaffirmed his pledge to maintain Romanian troops in Iraq and Afghanistan "as long as they are needed," and for the moment that commitment remains firm.

¶4. (SBU) In July 2006, the Romanian parliament ratified a historic agreement to allow U.S. troops to deploy to Romanian military facilities for training and other purposes. The agreement was signed by Secretary Rice during a visit to Bucharest in December 2005. Romania is an especially devoted and active NATO member, fully committed to developing niche capabilities and serving as a role model and guide to aspirant NATO members in the region. Romania has been actively involved in regional organizations such as the Southeast Europe Cooperative Initiative (SECI) and the Stability Pact for Southeast Europe. Focusing strategic

interest in the wider Black Sea basin has been a Romanian priority. President Basescu strongly advocates an increased U.S., NATO and EU role in the Black Sea region as a way of linking Europe proper to unstable regions further east. He considers frozen conflicts in the Caucasus and in neighboring Moldova/Transnistria as a reason for a stabilizing Western role in the region. He has also cited security challenges along the Black Sea littoral, including trafficking in narcotics and persons. Romania's drive to position itself as a regional leader has led it to seek improved relations with neighboring Hungary, Moldova, Bulgaria, and Ukraine while pursuing a more pragmatic relationship with Russia.

¶5. (SBU) While Romania has carefully fostered a close bilateral security and political relationship with the U.S., our economic and commercial relationship was slower to take off and still has plenty of room to grow. Since 2000, the Romanian economy has grown rapidly, enjoying four to eight percent growth each year. Recently, there have been encouraging signs for U.S. investment. Many American companies are in Romania and are doing well. Microsoft, Oracle, Timkin, Colgate Palmolive, Smithfield Foods and Hewlett Packard have all made recent substantial investments here. Along with IBM, both Ford and GM are looking at further large investment in Romania. Although plagued by delays, construction has resumed on the nearly 3 billion USD Bechtel highway project through Transylvania. However, while the EU accession process has hastened economic reform, the country's legacy of corruption and belated economic reforms has resulted in U.S. investment in Romania lagging behind investment in other newly-minted EU states. Poor infrastructure and labor rigidities also contribute. You may wish to encourage GOR officials to work more closely with foreign investor groups like Amcham to adopt growth-promoting policies and to focus greater resources on infrastructure and anti-corruption measures as a means of attracting greater foreign investor interest.

¶6. (SBU) Human Rights issues of continuing concern include corruption, political influence over the judiciary, police abuse, and poor conditions in prisons and detention centers. Other areas of concern include discrimination against Roma and persons with HIV/AIDS, trafficking in persons, and

restitution of property of the Greek Catholic Church. Right-wing nationalist parties continue to obtain between 12-20 percent popular support according to opinion polls, drawing from old ideas of irredentism, anti-Semitism, religious intolerance and discrimination directed against Roma and ethnic Hungarians. President Basescu, and particularly Foreign Minister Mihai-Razvan Ungureanu, have been active in heightening awareness of Romania's role in the Holocaust. Several universities, notably those in Bucharest, Cluj, and Iasi, have instituted courses focusing on Holocaust history. A government - sponsored Institute for Holocaust Studies was established last year with the support of the Presidency. Still, more needs to be done. You can be helpful in pushing Romanian leaders to accept the return of Nazi war criminals stripped of their U.S. citizenship. Another related issue surrounds the awarding of a presidential medal to right-wing political leader Corneliu Vadim Tudor, a past Holocaust denier. Many critics, including Nobel Laureate Elie Wiesel have called for Tudor to be stripped of the presidential medal awarded to him by former President Ilescu. You might urge progress on both these issues as components of Romania's broader recognition of its true involvement in the Holocaust.

¶7. (SBU) The largest party representing the ethnic Hungarian minority in Romania is the UDMR (Democratic Alliance of Hungarians in Romania), which is a member of the ruling coalition government. Other ethnic Hungarian groups have alleged that their attempts to register as opposition parties have been blocked by the UDMR, which argues that the Hungarian minorities' influence will be diluted if the Hungarian vote is split among different parties. The UDMR favors a relatively moderate approach to ethnic autonomy issues, focusing on cultural and individual autonomy and de-emphasizing territorial matters, while several radical groups demand more autonomy now.

¶8. (SBU) The continuing failure of Romania to resolve pending adoption cases filed by U.S. parents before Romania imposed a ban on inter-country adoptions is a serious concern, and has aroused strong congressional interest. Despite calls from some members of the European Parliament and the U.S. Congress for action to allow intercountry adoptions to proceed, the Romanian government has not followed through, claiming that the European Commission remains opposed to amending the ban. Contrary to assertions by Romanian officials that they have developed a model system for orphans and abandoned children, the Embassy and other international observers have observed clear evidence of malnutrition and neglect in Romanian child welfare institutions.
Taplin